

EXHIBIT 1

INTRODUCTION

Respondent, Jan Wasson-Smith, has been employed as the General Manager of the Anderson Valley Community Services District (the “District”) since December of 1995. As the General Manager of the District, Respondent is a designated employee of the District, as defined in section 82019, subdivision (c), of the Political Reform Act (the “Act”),¹ and in the conflict of interest code for the District. Under the District’s conflict of interest code, and the Act, each designated employee of the District must file an annual statement of economic interests by April 1 of each year (unless April 1st falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day),² disclosing his or her reportable financial interests during the preceding calendar year.

In this matter, Respondent failed to timely file annual statements of economic interests for calendar years 1998 and 1999. For the purposes of this Stipulation, Respondent’s violations of the Political Reform Act are stated as follows:

COUNT 1: As a designated employee of the Anderson Valley Community Services District, Jan Wasson-Smith failed to file a 1998 annual statement of economic interests, by April 1, 1999, in violation of section 87300 of the Government Code.

COUNT 2: As a designated employee of the Anderson Valley Community Services District, Jan Wasson-Smith failed to file a 1999 annual statement of economic interests, by April 3, 2000, in violation of section 87300 of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency’s conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other

¹ The Political Reform Act is contained in sections 81000 through 91015 of the Government Code. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission, enacted pursuant to the provisions of the Act, are contained in sections 18000, *et seq.*, of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Regulation 18116.

income. Under section 82019, subdivision (c), and section 87302, subdivision (a), the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, decisions that may have a foreseeable material effect on a financial interest.

Section 87302, subdivision (b), provides that under an agency's conflict of interest code, each designated employee of the agency must be required to annually file a statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code, disclosing his or her reportable financial interests during the preceding calendar year.

Under section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

SUMMARY OF THE FACTS

Respondent Jan Wasson-Smith has been employed as the General Manager of the Anderson Valley Community Services District since December of 1995. In her capacity as the General Manager of the District, Respondent is a designated employee of the District, as defined in section 82019, subdivision (c), of the Political Reform Act, and in the conflict of interest code for the District.

Under the District's conflict of interest code, Respondent was required to file an annual statement of economic interests, for each year that she served as the General Manager of the District, by April 1st of the following year (unless April 1st fell on a Saturday, Sunday, or official holiday, in which case the filing deadline was extended to the next regular business day).

Respondent failed to timely file annual statements of economic interests for the 1998 and 1999 calendar years. She did not file the statements until after enforcement proceedings were instituted against her in November 2001.

COUNT 1

Failure to Timely File 1998 Statement of Economic Interests

On February 18, 1999, Mendocino Deputy County Clerk Karen Himes sent a letter to Respondent reminding her of her duty to file an annual statement of economic interests, for the 1998 calendar year, on or before April 1, 1999. Respondent did not respond to this letter, and did not file her annual statement of economic interests by the April 1st due date. Ms. Himes therefore sent a follow-up letter to Respondent on May 12, 1999, notifying Respondent that her 1998 annual statement of economic interests was now overdue, and asking her to file the overdue statement within the next thirty days. Respondent also failed to respond to this follow-up letter, and did not file her annual statement of economic interests as requested.

COUNT 2

Failure to Timely File 1999 Statement of Economic Interests

On February 25, 2000, Mendocino Deputy County Clerk Karen Himes sent a letter to Respondent reminding her of her duty to file an annual statement of economic interests, for the 1999 calendar year, on or before April 3, 2000. Respondent did not respond to this letter, and did not file her annual statement of economic interests by the April 3, 2000 due date. Ms. Himes therefore sent a follow-up letter to Respondent on April 19, 2000, notifying Respondent that her 1999 annual statement of economic interests was now overdue, and asking her to file the overdue statement within the next thirty days. Respondent also failed to respond to this follow-up letter, and did not file her annual statement of economic interests as requested.

When Respondent failed to file her 1999 annual statement of economic interests, Ms. Himes referred the matter of Respondent's non-filing to the Enforcement Division of the Fair Political Practices Commission. In response to the referral, Investigator William Motmans spoke with Respondent by telephone on August 3, 2000, and advised her to file two statements of economic interests for calendar years 1998 and 1999. Respondent agreed to file the statements but failed to do so in response to Mr. Motmans' request.

On October 4, 2000, Commission Counsel Steven Benito Russo sent Respondent a letter advising her to file her 1998 and 1999 annual statements of economic interests. Respondent did not file her statements in response to this request. When Respondent did not file the two statements, the Enforcement Division commenced enforcement proceedings against Respondent beginning with the filing of a probable cause report. On October 5, 2001, at the conclusion of the probable cause proceedings, Executive Director Mark Krausse caused an accusation to be served upon Respondent. The following month, on November 7, 2001, Commission Counsel Julia Bilaver spoke with Respondent by telephone and advised her to file her 1998 and 1999 annual statements of economic interests. Thereafter, on November 30, 2001, Respondent filed the overdue statements.

CONCLUSION

This matter involves two counts of violating section 87300 of the Act, and carries a maximum administrative penalty of Four Thousand Dollars (\$4,000). Under the SEI Expedited Procedures adopted by the Commission in July of 1999, the approved administrative penalty for a non-filer who promptly files a delinquent annual statement of economic interests, after being contacted by an Enforcement Division attorney, is between Four Hundred and Six Hundred Dollars (\$400-\$600) per count. However, since Respondent failed to file her statement of economic interests two years in a row, and disregarded several notifications from the local filing officer and the Enforcement Division, the facts of this case call for an administrative penalty that is higher than the approved streamlined penalty range.

Accordingly, the facts of this case justify imposition of an administrative penalty of One Thousand Dollars (\$1,000) per count, for a total of Two Thousand Dollars (\$2,000).